

Informal Working Draft and Request for Informal Comments on the Health Plan Rate Review Rule

Texas Administrative Code, Title 28, Chapter 3, Subchapter F, Sections 3.501-3.506.

Posting date: October 19, 2021

Comments due: November 18, 2021

The Texas Department of Insurance (TDI) has prepared an informal working draft of a rule establishing a rate review process for individual and small group health plans under Insurance Code Chapter 1698, Subchapter N.

Currently, rates for individual and small group major medical coverage are reviewed by the Centers for Medicaid and Medicare Services for compliance with federal law, and by TDI for compliance with state law. Beginning with rates for health benefit plan coverage for the 2023 plan year, TDI will review these rates for compliance with state and federal law. In addition to establishing an effective rate review process, TDI plans to establish geographic rating areas to better align rates in rural areas with nearby metropolitan areas. Supplementary information illustrating the changes to geographic rating areas is included below.

TDI invites your input on the informal working draft. This is an informal posting intended to gather comments from the public and is not a formal publication for rulemaking.

The comment period for this informal working draft will close at 5 p.m., Central time, on November 18, 2021. Submit comments to Ryan Jaffe in the Life and Health Division at LHLcomments@tdi.texas.gov. If you have any questions or need more information about this informal working draft, you may call Ryan Jaffe at 512-676-6639.

SUPPLEMENTAL INFORMATION

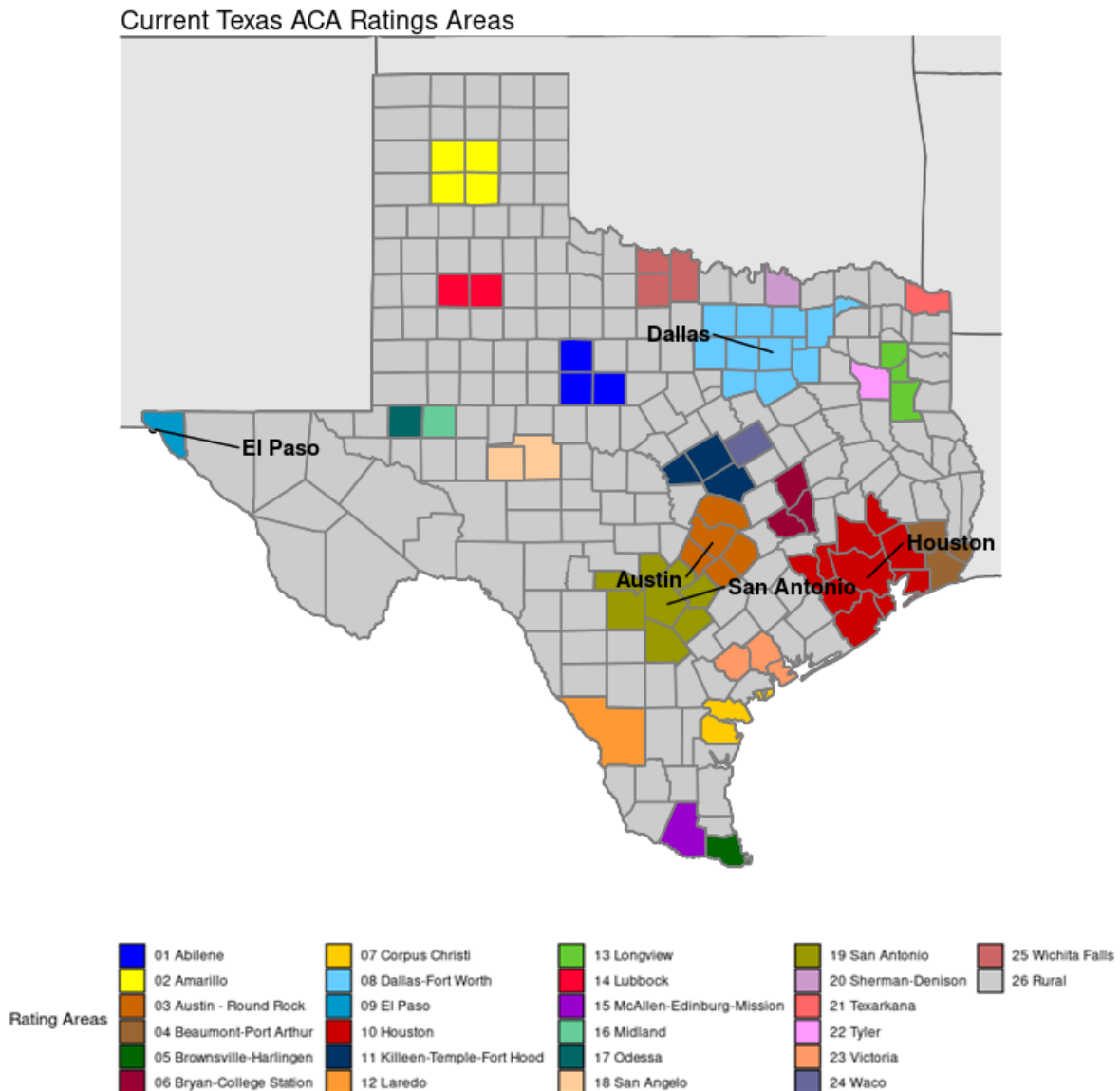
Currently, Texas geographic rating areas are based on Metropolitan Statistical Areas (MSAs), resulting in a total of 26 rating areas, including 25 rating areas comprising 25 MSAs, plus an additional rating area representing the rural areas of Texas that aggregates 177 out of 254 counties into a single rating area, as shown in Graph 1.

The proposed realignment of the geographic rating areas would establish 27 new geographic rating areas, as shown in Graph 2. To establish the new rating areas, the rural counties within each of Texas' Public Health Regions were placed into the nearest corresponding MSA. The counties within the Dallas and Houston MSAs were divided into two and three regions, respectively, to account for the differences in claims costs within these particular MSAs.

The three graphs are designed to visualize the proposed changes. [Graph 1](#) shows the existing rating areas. [Graph 2](#) shows the change by layering the existing rating area and the proposed new rating area in a single map. [Graph 3](#) shows the proposed new rating areas.

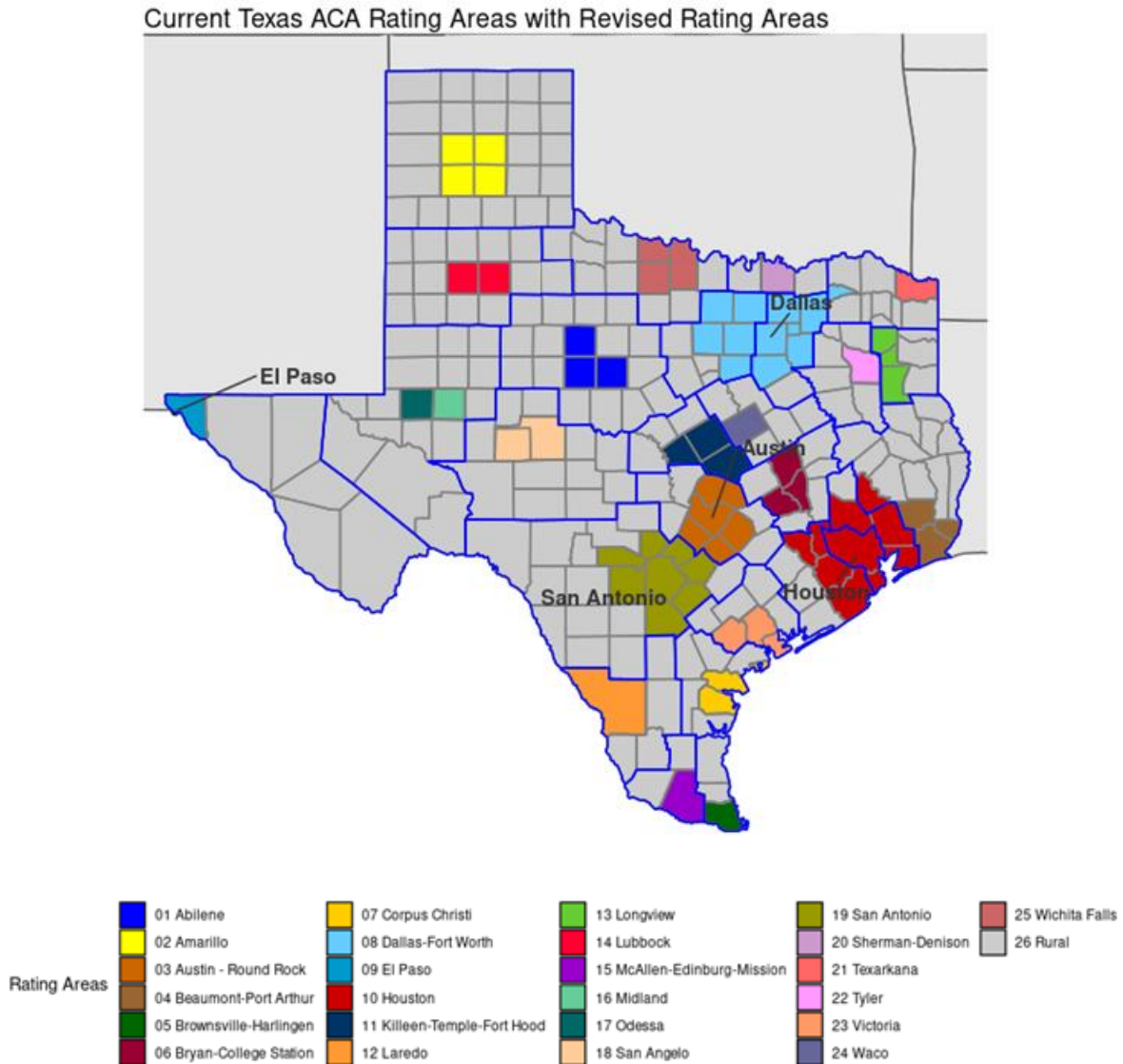
Graph 1 – Texas' Current 26 ACA Geographic Rating Areas

The color-coded counties represent 25 unique rating areas. The grayed-out counties represent the single rating area comprising 177 aggregated rural counties.



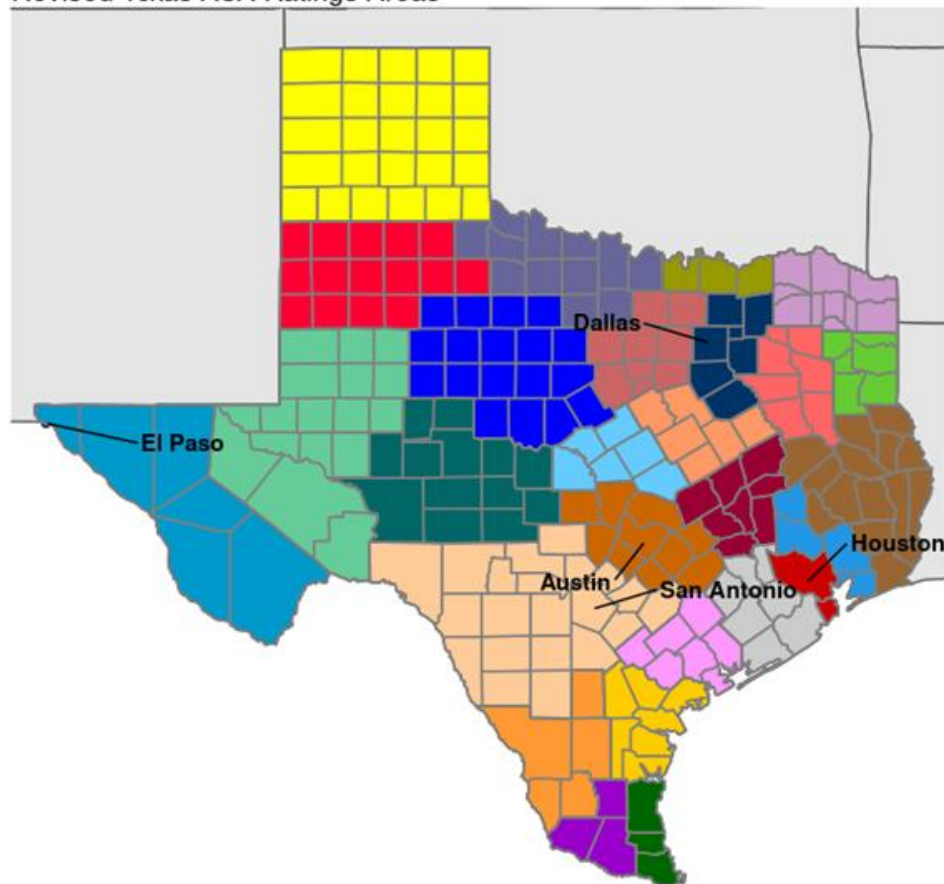
Graph 2 – Current vs. Revised Geographic Rating Areas

The 27 new geographic rating areas are outlined in blue, layered over the color-coded map from Graph 1, with rural counties in gray.



Graph 3 – Proposed Realignment of Geographic Rating Areas

Revised Texas ACA Ratings Areas



01 Abilene	07 Corpus Christi	13 Longview	19 Sherman/Denison	25 Fort Worth
02 Amarillo	08 Dallas	14 Lubbock	20 Texarkana	26 Houston SW
03 Austin	09 El Paso	15 McAllen	21 Tyler	27 Houston NE
04 Beaumont	10 Houston	16 Midland/Odessa	22 Victoria	
05 Brownsville	11 Killeen/Temple	17 San Angelo	23 Waco	
06 College Station	12 Laredo	18 San Antonio	24 Wichita Falls	